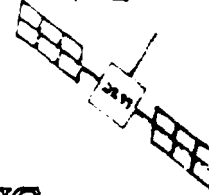




**DIRECT
BROADCAST
SATELLITE
SYSTEMS, INC.**



DOCKET FILE COPY ORIGINAL

July 26, 1994

EX PARTE OR LATE FILED

RECEIVED

The Honorable Representative Lee Hamilton
United States House of Representatives
Washington, DC 20515

OCT 19 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

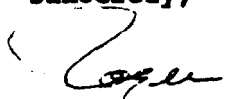
Lee,

Enclosed is a copy of a letter sent to FCC Chairman Reed Hundt regarding the Cable Competition Report CS Docket No. 98-48. Direct Broadcast Satellite Systems, Inc. and NRTC need your help in supporting our position on this issue before the FCC.

This is a very exciting time for those of us trying to bring cable-type programming to Rural America. These constituents have been deprived of the type of programming that Suburban America has come to take for granted. Now that the technology is right and much more affordable, it is unfortunate that exclusive contract language will limit the competition for programming.

Thank you for your attention. Please advise of any questions concerning this issue. Your help and support is appreciated.

sincerely,


Roger Beineke - President
Direct Broadcast Satellite Systems, Inc.
P. O. Box 1009
Seymour, IN. 47274
812-523-3277

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PROGRAMMING ACCESS

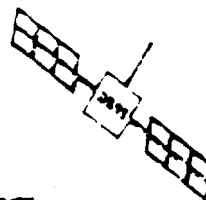
Access to Programming Controlled by Vertically Integrated Cable Companies

PROGRAMMER	DIRECTV*	USBB*	PrimeStar*	3 LARGEST Q-BAND DISTRIBUTORS PERC, DISCORA, BIRDS (TOP)	Cable MSOs (FOWARD)
Cinemax		X	X	X	X
Filix		X	X	X	X
HBO		X	X	X	X
The Movie Channel		X	X	X	X
Showtime		X	X	X	X
Comedy Central		X	X	X	X
MTV		X	X	X	X
VH1		X	X	X	X
Nickelodeon		X	X	X	X
Lifetime		X	X	X	X
American Movie Classics	X	X	X	X	X
BET	X	X	X	X	X
Bravo	X	X	X	X	X
Cartoon Network	X	X	X	X	X
Country Music TV	X	X	X	X	X
CNN/Headline News	X	X	X	X	X
Court TV	X	X	X	X	X
Discovery Channel	X	X	X	X	X
E! Entertainment TV	X	X	X	X	X
Encore	X	X	X	X	X
Family Channel	X	X	X	X	X
Fox Network	X	X	X	X	X
Home Shopping Network	X	X	X	X	X
The Learning Channel	X	X	X	X	X
QVC	X	X	X	X	X
QVC2	X	X	X	X	X
The Nashville Network	X	X	X	X	X
Sci-Fi Channel	X	X	X	X	X
TNT	X	X	X	X	X
Travel Channel	X	X	X	X	X
Turner Classic Movies	X	X	X	X	X
USA Network	X	X	X	X	X
The Weather Channel	X	X	X	X	X

*** CROSS OWNERSHIP INTERESTS WITH
USBB/TME WARNER/VIACOM**



**DIRECT
BROADCAST
SATELLITE
SYSTEMS, INC.**



The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M St, NW, Rm 814
Washington, DC 20554

RE: Cable Competition Report
CS Docket No. 94-48

Chairman Hundt,

This is a test - What is wrong with the attached chart? While the 1992 Cable Act went a long way towards ending discriminatory pricing among programmers, there are still major stumbling blocks preventing Rural America from realizing the benefits of fair competition between service providers. As this chart shows, cross ownership between the major players and the use of exclusive contract language are preventing DIRECTV and the NRTC from providing Rural America an alternate source for programming that has long been financially out of reach.

Technological developments in the area of digital signals and compression technology have made the hardware more affordable for Rural America. These Digital Satellite Systems can now be installed for less than nine hundred dollars (\$900). This is less than the cost of some of the televisions they will be serving. The next arena for Rural America to enter is the arena in which they must fight for affordable programming. Affordable programming is brought about by fair competition between providers. The 'exclusive' distribution arrangements entered into by United States Satellite Broadcasting Co. Inc. currently prevent major programmers like Time Warner and Viacom from allowing us the opportunity to compete with USBS to provide popular programming like HBO, Showtime, Cinemax, The Movie Channel, VH-1, MTV, and Nickelodeon. We believe these 'exclusive' contracts to be in conflict with the intent of the 1992 Cable Act.

Direct Broadcast Satellite Systems, Inc. has invested over three hundred thousand dollars (\$300,000) to provide cable-type programming to areas of Jackson County, Indiana that will never be served by cable because they are too sparsely populated to make cable access financially feasible. To do this, we must have fair and equal pricing and access in order to compete in the marketplace. The end result is a competitive environment that provides Rural America the option to choose the best service at the best price. If it sounds like 'Motherhood and Apple Pie', IT IS!!!!

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 of the 1992 Cable Act become a reality for Rural America. Thank you for your time and consideration.

Sincerely,

Roger D. Beineke - President
Direct Broadcast Satellite Systems, Inc.
P.O. Box 1009
Seymour, IN. 47274

cc: The Hon. Rep. Lee Hamilton
The Hon. Senator Dick Lugar
The Hon. James E. Quillen
The Hon. Andrew C. Barrett
The Hon. Susan Woss
The Hon. Rachelle B. Chong
William F. Caton, Secretary

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

SEP 29 1994

IN REPLY REFER TO:
CN-9403968

The Honorable Lee H. Hamilton
U.S. House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Hamilton:

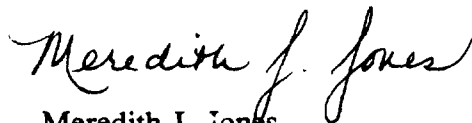
This is in response to your inquiry on behalf of your constituent, Mr. Roger Beineke, President of Direct Broadcast Satellite Systems, Inc.. Mr. Beineke's concern is that DIRECTV, an operator of a direct broadcast satellite (DBS) facility, is unable to obtain rights to Time Warner and Viacom programming, because such programming is subject to the exclusive distribution rights of another DBS distributor, United States Satellite Broadcasting, Inc..

Mr. Beineke also expresses his support for the position of the National Rural Telecommunications Cooperative concerning the Commission's interpretation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. NRTC has requested that the Commission reexamine the legality of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. NRTC has asked that the Commission determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking proceeding is currently pending. As such, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and other parties to the rulemaking concerning this issue to arrive at a reasonable decision on reconsideration.

I trust this information is responsive to your inquiry.

Sincerely,



Meredith J. Jones
Chief, Cable Services Bureau